IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 87 of 1997

For Approval and Signature:

Hon'ble CHIEF JUSTICE MR DM DHARMADHIKARI
and
Hon'ble MR.JUSTICE M.S.SHAH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

GARDEN SILK MILLS LTD.

Versus

COMMISSIONER OF INCOME-TAX

Appearance:
MR MANISH J SHAH for Petitioner
MR MANISH R BHATT for Respondent No. 1

CORAM : CHIEF JUSTICE MR DM DHARMADHIKARI
and
MR.JUSTICE M.S.SHAH

Date of decision: 27/12/2000

ORAL JUDGEMENT

(Per : MR.JUSTICE M.S.SHAH)

In this appeal, the following question is referred to us :-

"Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the expenditure of Rs.1,37,97,274/in respect of the issue of right shares is capital expenditure ?"

At the hearing of the reference, the learned counsel for the parties state that the above referred question is already concluded by the decision of this Court in Siddhi Cement Ltd. vs. CIT, 138 ITR 45.

In view of the above, we answer the question in the affirmative i.e. in favour of the revenue and against the assessee.

The reference is accordingly disposed of. There shall be no order as to costs.

(D.M. Dharmadhikari, CJ)

(M.S. Shah, J.)

sundar/-